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Risk considerations in monetary policy decision making in crisis times

2017 Joint BdP-ECB Conference on Risk
Management for Central Banks

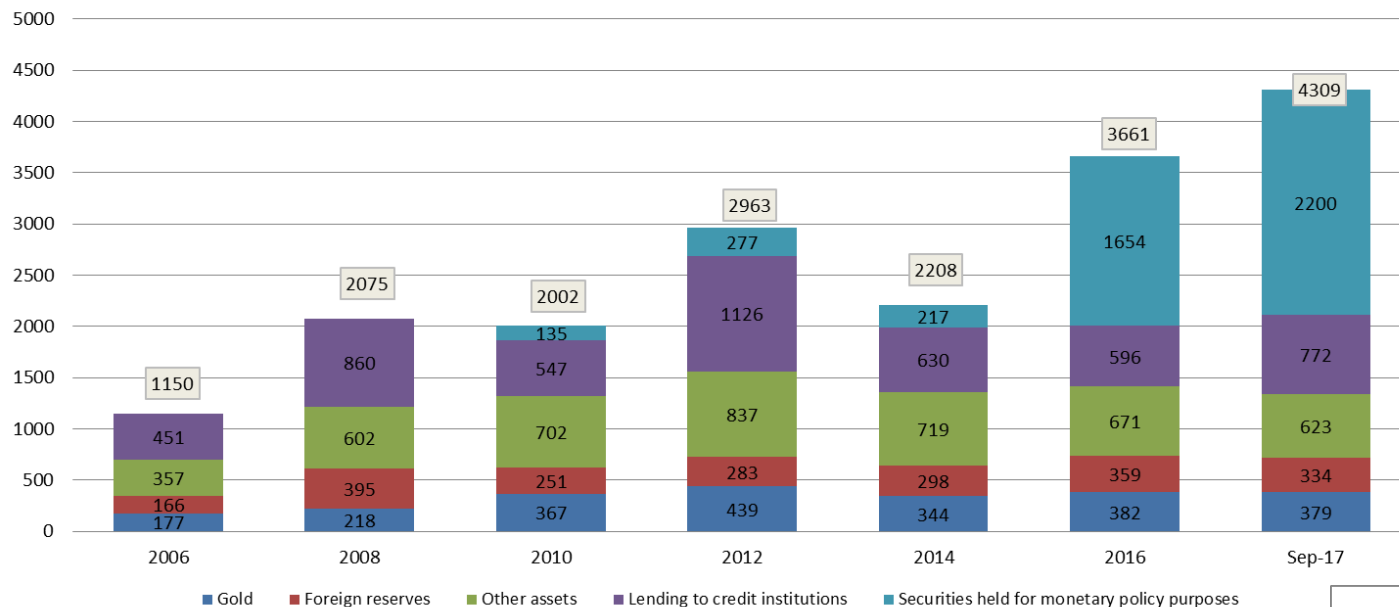
Banco de Portugal, 25-26 September 2017

Outline

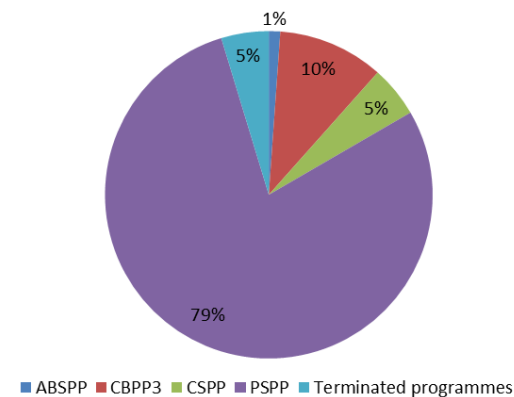
- 1 Eurosystem balance sheet and the ECB's monetary policy tools
- 2 Principles of ECB's risk management in crisis times
- 3 ECB's risk management in crisis times
- 4 Lessons learnt from a risk management perspective

Eurosystem's balance sheet expanded over the recent years...

Eurosystem assets, EUR bn



APP composition (Sep 17)



... but the principles of ECB's risk management continue to hold also during crisis times

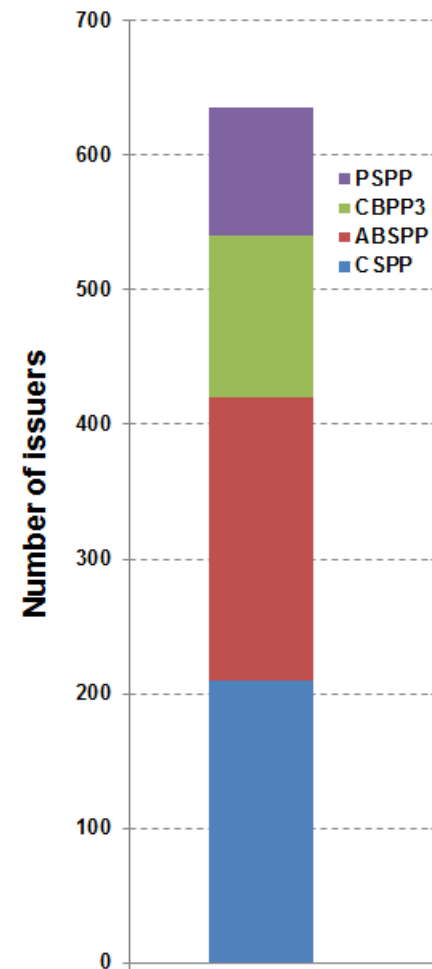
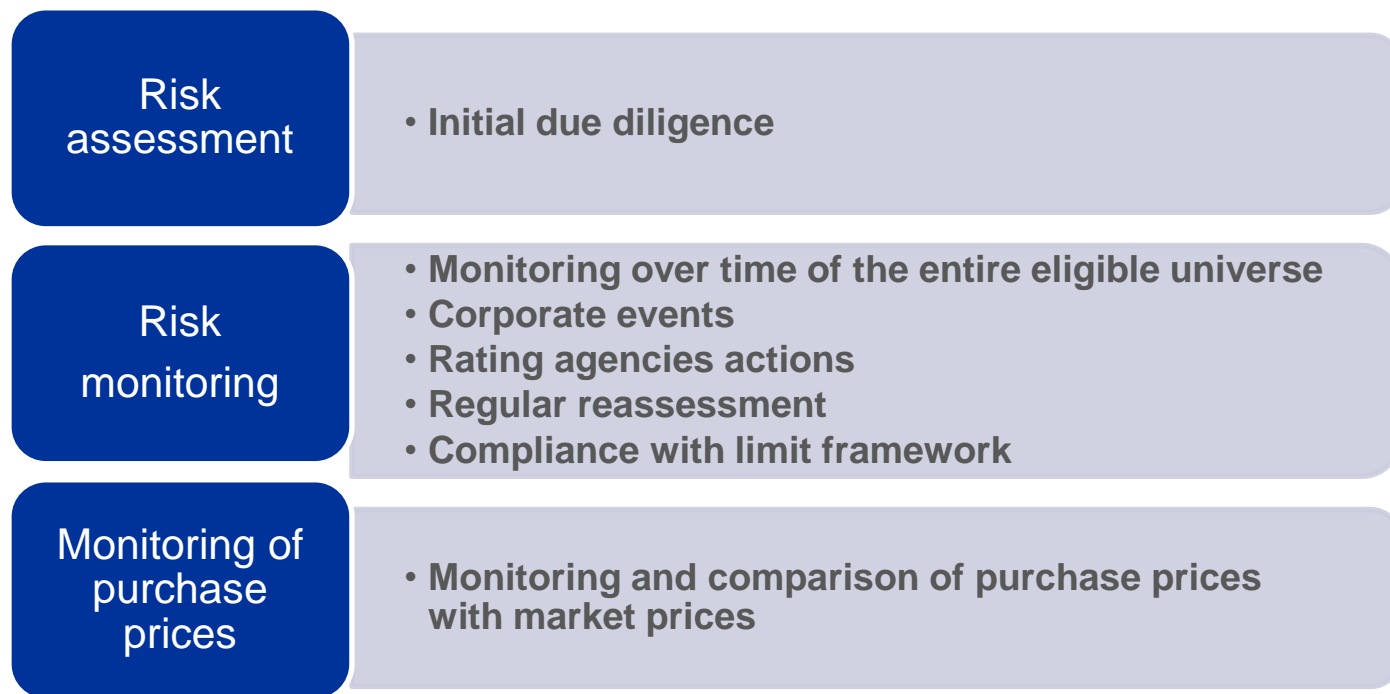


Risk appetite

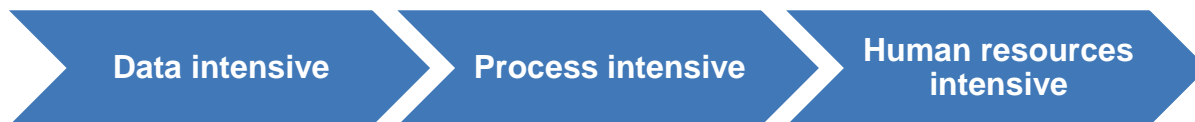
Risk capacity

Safe-guarding the ECB's **financial independence**, its **credibility** and **reputation**

The Asset Purchase Programmes warrant appropriate and consistent risk assessment and monitoring



Risk management activities are



Principle-based and consistent risk management supports monetary policies in crisis times

